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members of the KMT and special agents were registered. Because the government had been too lenient toward counterrevolutionists and had not provided severe punishment, and because it had not properly guarded the prisons and had failed to deal effectively with rumors, the bandits and special agents were able to attack our chu and hsiang governments, killing or wounding our cadres.

During last April and May, they plotted jail breaks. A plot to revolt was uncovered in Ping-liang. According to an incomplete estimate, cases of armed attacks and robberies amounted to 3,652, and cases of arson (burning stored fuel, grain, and fodder) amounted to 40. Such incidents began to decrease after the police, public security, and judicial agencies increased their effort.

#### Financial Reform

Financial reform started in April 1950. Such reform not only made up the financial deficit which had been very large in the past, but also resulted in a surplus. At the end of 1950, the surplus in terms of rice constituted 61.78 percent of the total realized tax collection. However, distribution of the tax burden was not equalized, and tax evasion still exists.

Prices became more stable and commerce and industry became more active as a result of the credit policy, tax reform, price control, and the policy of supporting private industry by assigning processing work and by purchasing such orders.

Food production increased 19 percent over the original plan for 1950. Cotton acreage exceeded the original plan by 14.5 percent. Nine irrigation projects were completed making 216,000 mou of land irrigable. Also, 310,000 mou of land were reclaimed, 5,300,000 trees were planted, and 630,000 farm animals were treated or inoculated.

#### Industry

Measures were taken to regulate industrial organizations properly, and to improve management and business methods. Production emulation drives were launched to stimulate worker incentive. Various industries restored production, some of which have exceeded prewar production records. Production of pig iron, sulfuric acid, cement, etc., exceeded the respective production targets. The government completed a 1,000-kilowatt power plant in Lan-chou and began planning a hydraulic power plant in Lin-hsia Hsien, a cement plant in Kao-chia-wan, a woolen manufacturing plant in Ch'i-li-ho, and a hydraulic power plant in Lan-chou. However, since we could not fully explore the potential strength of the worker nor derive benefits from democratic management, production in general lagged behind schedule. Due to inexperience and inadequate management, losses occurred at some factories and mines.

#### Labor Relations

In Lan-chou, a labor-management consultative conference was established. It negotiated collective contracts for machinery, flour, etc., in seven industries and settled 217 labor disputes. Industrial sanitary conditions were somewhat improved.

#### Transportation

Of 3,240 kilometers of highway, a total of 1,887 kilometers were restored.

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Education

Reform in school administration has been carried out in three higher schools and 91 middle schools. It is to be noted particularly that patriotism and internationalism have been implemented in the political ideology of students through advancing the Resist America, Aid Korea Movement. Of the 2,408 students of higher and middle schools who applied for admission to various military cadre schools, 567 were admitted. Indoctrination of 10,431 teachers and school employees has begun. In addition, 6,519 primary schools have been restored and reorganized.

## 1. Worker and Peasant Education

A special short-term worker-peasant middle school was established in 1950. In November, the government set up the Committee on Spare-Time Education for Industrial Workers which enabled more than 30 percent of the industrial workers in Kansu to participate in study. Social education was carried on in cities, such as Lan-chow, and in rural areas where over 70,000 peasants took part in the educational programs.

## 2. Education of Minority Groups

The government restored the three teachers' colleges in Lung-tung, Ling-hsia, and Hsia-ho, as well as 274 primary schools for the minority groups.

Public Health

Some 430,000 people received smallpox vaccinations and 190,000 others were inoculated against other diseases. Epidemic prevention committees were set up in 45 hsien which organized five teams to cope with the measles, scarlet fever, and smallpox then prevailing in Ling-t'ao, Lin-hsia, etc. Research on leprosy prevention was undertaken. The Provincial People's Hospital was established, and 38 public health clinics were restored in 38 hsien, shih, and ch'u.

Racial Policy

Autonomy has been granted to most of the areas settled by mixed groups. About 1,300 members of the minority groups have been selected and trained. More than 400 cases of disputes among the groups were arbitrated. These measures have won the support of the people. However, in some areas where the racial policy was not properly administered, we suffered some losses, but the situation has improved.

In short, some achievements have been made in 1950 because of the sound leadership of the Central People's Government and the Northwest Military and Administrative Committee, as well as the joint efforts of the army, the people, and all cadres. Nevertheless, some weaknesses still exist, especially in our work among the masses. In this broad and newly liberated area, we have not yet eliminated the feudalistic elements nor extinguished bandits and special agents. The new revolutionary order has not yet been stabilized nor has the administration of the rural area been thoroughly reformed, since we have not mobilized and organized the peasants. Thus, the foundation of the people's democracy is not yet firmly established in Kansu.

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## II. TASKS FOR 1951

Ideological Front

We must continue to spread and intensify the Resist America, Aid Korea Movement. We must extinguish the reactionary ideological tendency to exalt America, to fear America, or to become the friend of America; instead, we must exalt our own national dignity and self-confidence. We must strengthen the ideological foundation upon which we are making a real effort to build our fatherland into a strong nation.

Land Reform

In the winter of 1950 or spring of 1951, land reform must be carried out in the 53 hawes (including snib) which were settled by 6 million Chinese people. The rent-reduction program is already in progress there. In Ch'ing-yang Special District, where the land reform has been completed, the government will determine land ownership and will issue ownership certificates accordingly. In areas where there are only rent-reduction movements, the government will protect the rights of the tenants. The rent-reduction movement will start in the fall of 1950 in areas with populations in excess of a million, whether settled by mixed peoples or by Moslems alone. In areas settled by Mongols and Tibetans, our fundamental tasks will be to increase production, expand trade, set up hospitals, and conduct propaganda, cultural, and educational programs.

Bandit Suppression

We must achieve a strict suppression of all bandits, special agents, gangsters, and other counterrevolutionists by mobilizing all available forces and by unifying the command of such work. All forces must be coordinated so that the bandit groups throughout the provinces may be encircled. Small armed units must be organized to strengthen the local armed forces, the public security, and police units. Land reform and rent reduction must be utilized as a means of mobilizing the people's militia. The people must be united in support of the army and aid must be given to the families of soldiers. Sound public security and police units must be established by means of proper indoctrination and training. Security regulations must be improved and state secrets guarded. All matters delayed and pending must continue to be expedited. Prison facilities must be improved and the work of the People's Court in meting out severe punishment to gangsters and counterrevolutionists must be strengthened.

Economic Reconstruction

## 1. Agricultural Production

Agricultural production in areas where rent reduction has been effected must be raised beyond the 1950 level. Production in the old liberated Ch'ing-yang Special District must be raised to the prewar level. In areas where land reform was implemented in the winter of 1949 or spring of 1950, agricultural production should approach the prewar level. Generally speaking, agricultural productivity per mou should be raised. Wheat production, for instance, should be increased by 3 catties per shih mou, so that the total production should increase 3.4 percent as compared with 1950. Cotton acreage should be increased by 10,000 shih mou, with productivity increased by 2 catties per shih mou. The cotton crop is expected to be 14.1 percent above 1950. The production of hemp, flax, oil seeds, and sugar beets must also be increased.

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**2. Water Conservancy**

We must complete three water conservancy projects; the Huang-yang Ho near Wu-wei, the Huang-hsi Canal in Kao-lan, and the P'u-chi Canal in Lin-t'ao. All these will increase the irrigable acreage by 110,000 shih mou. We must organize the people in restoring or developing small irrigation projects and in completing 13,000 mou of earthwork.

**3. Animal Husbandry**

We must continue the epidemic diseases prevention work and improve the breeds of livestock. Some 500,000 head of livestock will receive inoculations. Hybridization must be applied in the raising of livestock. Slaughtering of farm animals must be stopped.

**4. Forestry**

We must emphasize forest protection. Tree propagation stations must be increased, tree planting encouraged, forest research and investigation continued, cooperative reforestation work promoted, and timber cutting controlled. Ten thousand shih mou of state forests and 1,200 shih mou of timber plots must be planted. We must mobilize the people in planting 6 million trees.

**5. Industry**

We must improve the conditions in the existing mines and factories. As for state-owned manufacturing and mining industries, as a first step toward increasing production, we must improve trade-union activities, establish democratic management, and set up an auditing system. We must complete the planning and construction of the paper mill (which will have a daily output of 2 tons) and contrive to have it open in the spring of 1951. We must equip the Lan-chou Flour Mill with four more grist mills and one more wheat-washing machine. Repair work on Coal Mines No. 1 and No. 2 must be completed. The facilities of the Yao-chieh Cement Plant must be expanded to increase the output over 1950 by 700 tons in 1951. Survey and search for industrial raw materials must be intensified. The central government must be aided in building a dam for Lan-chou Hydraulic Power Plant, roads, and bridges.

We must continue to use private industries, for they are essential to the nation's existence. We must strengthen management, hold special business meetings for the various industries, regulate production and the commodity markets, and continue the industrial licensing system.

Safety and sanitation in industry must be improved and strict laws observed for labor protection and insurance must be taken. Labor-management relations must be improved in the interests of both parties and we must strive to give relief to unemployed workers.

**6. Price Stabilization**

We must continue to stabilize prices. The state trading companies will consolidate public and private funds to aid cooperatives to increase the flow of goods between towns and rural areas. Governments above the hsiang level must hold native products conferences to increase the marketing of local products. To this end, our commercial policy will be designed to protect the interests of producer, dealer, and consumer. We must also provide a uniform policy for government commodity purchasing.

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### I. Transportation

To improve transportation, we must organize the masses to protect highways and restore bridges and tunnels. We must achieve an orderly control of the transportation network. In the T'ien-shui, Ting-hsi and Ping-liang special districts, 15,000 men must be recruited for the building of the Tien-shui Railroad, (T'ien-shui to Lan-chou).

### Government Finance

We must fulfill tax-collection quotas, reform the financial administration of local governments, step up the investigation of taxable resources and prevent tax evasion, reduce unnecessary government expenditures, enforce the government's budgetary system, achieve a strict supervision of the treasury system, enforce regulations concerning cash payments, and improve the management of government grain collections.

### Cultural and Educational Work

Teachers must be urged to engage in constant study of political theory and of their profession. Emphasis must be placed on the study of regular school courses, as well as on courses which will improve the student's ideology. Middle schools and primary schools must be restored and enlarged. We must achieve reforms in private schools and institute more technical schools, short-term worker-peasant middle schools, and schools for minority groups. Anti-illiteracy programs and political education among workers and peasants must be started and government movie teams and cultural work units must be given assistance in reforming the old opera and in providing entertainment for the masses. Cadres of the various professional government workers must be organized for intensive study of politics, policy, and their respective occupations.

### Public Health

The 1951 plan calls for giving vaccinations and inoculations to prevent the spread of typhoid and diphtheria, raising of the standards of the medical school, training public health cadres on a rotation basis, organizing herbal medical practitioners associations and joint herbal medical treatment clinics, and emphasizing the health of women and children. Two hsien are to be chosen for public health experiments and a central hospital will be erected there. Sanitation experiments in factories and mines are to be conducted in Lan-chou and free public clinics are to be established in minority nationalities areas. A clinical station for women and children is to be set up in Hsia-ho, and similar clinics are to be established in areas settled by minority groups.

### Local Government

We must insure the proper conduct of all-circles people's delegates conferences and peasant's delegates conferences. Local administrations must be put on a sound basis. During 1951, the all-circles people's delegates conference of every hsien will perform the functions of the people's delegates assembly and establish a consultative committee. The standing committee of the consultative committee will carry out the work of the conference.

The autonomous government of the various areas must be strengthened. Autonomy will be granted to areas as soon as the necessary conditions there are fulfilled. The youth of minority peoples must be aided and trained as cadres in the work of autonomous government.

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The provincial government and people's governments at all levels will assign a great number of cadres to go to rural areas and factories to take part in land reform, rent reduction, and in the organization of workers in factories. We must participate in study, rectification programs, and examine ourselves with a view to eliminating bureaucracy and the attitude of high handedness. We must fortify and extend our victory by fulfilling our various tasks throughout Kansu Province.

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